

Bureau of Land Management, Interior

§3137.21

Unit operations are all activities associated with exploration, development drilling, and production operations the unit operator(s) conducts on committed tracts.

[67 FR 17886, Apr. 11, 2002, as amended at 73 FR 6443, Feb. 4, 2008]

GENERAL

§3137.10 What benefits do I receive for entering into a unit agreement?

(a) Each individual tract committed to the unit agreement meets its full performance obligation if one or more tracts in the unit meets the development or production requirements;

(b) Production from a well that meets the productivity criteria (see §3137.82 of this subpart) under the unit agreement extends the term of all NPR-A leases committed to the unit agreement as provided in §3137.111 of this subpart;

(c) You may drill within the unit without regard to certain lease restrictions, such as lease boundaries within the unit and spacing offsets; and

(d) You may consolidate operations and permitting and reporting requirements.

§3137.11 What consultation must the BLM perform if lands in the unit area are owned by a regional corporation or the State of Alaska?

If the BLM administers a unit containing tracts where the mineral estate is owned by a regional corporation or the State of Alaska, or if a proposed unit contains tracts where the mineral estate is owned by a regional corporation or the State of Alaska, the BLM will consult with and provide opportunities for participation in negotiations with respect to the creation or expansion of the unit by—

(a) The regional corporation, if the unit acreage contains the regional corporation's mineral estate; or

(b) The State of Alaska, if the unit acreage contains the state's mineral estate.

[73 FR 6443, Feb. 4, 2008]

APPLICATION

§3137.15 If the Federal lands constitute less than 10 percent of the lands in the proposed unit area, is the unit agreement subject to Federal regulations or approval?

If the Federal lands constitute less than 10 percent of the lands in the proposed unit area—

(a) You may use a unit agreement approved by the State and/or a native corporation;

(b) BLM will authorize commitment of the Federal lands to the unit if it determines that the unit agreement protects the public interest; or

(c) As unit operator you may ask BLM to approve and administer the unit. If BLM agrees to approve and administer the unit, you must follow, and BLM will administer, the regulations in this subpart and 43 CFR part 3160.

§3137.20 Is there a standard unit agreement form?

There is no standard unit agreement form. BLM will accept any unit agreement format if it protects the public interest and includes the mandatory terms required in §3137.21 of this subpart.

§3137.21 What must I include in an NPR-A unit agreement?

(a) Your NPR-A unit agreement must include—

(1) A description of the unit area and any geologic and engineering factors upon which you are basing the area;

(2) Initial and continuing development obligations (see §§3137.40 and 3137.41 of this subpart);

(3) The anticipated participating area size and well locations (see §3137.80(b) of this subpart);

(4) A provision that acknowledges BLM's authority to set or modify the quantity, rate, and location of development and production; and

(5) A provision that acknowledges the BLM consulted with and provided opportunities for participation in the creation of the unit and a provision that acknowledges that the BLM will consult with and provide opportunities for participation in the expansion of the unit by —